GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:478
ANSWERED ON:21.10.2008
PROMOTION OF AGRO AND RURAL INDUSTRIES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the details of the agro and rural industries in the country,State-wise;

(b) whether the Government has provided any funds for promotion of agro and rural based industries in the country;

(c) if so, the total funds granted, released and utilized for promotion of agro and rural based industries during each of the last three years and the current year,State-wise;

(d) whether the Government has any new scheme for establishing agro and rural industries;

(e) if so, the details thereof including targets set/success achieved;

(f) whether the Government has granted funds for the export of products made by these industries;and

(g) if so, the total funds granted, released and utilized for the purpose during each of the last three years and the current year,State-wise?

Answer

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES(SHRI MAHABIR PRASAD)

(a): Industries in the rural areas of the country have been promoted by the Government (in the Ministry of Micro,Small and Medium Enterprises) through two credit-linked subsidy schemes,namely,the Rural Employment Generation Programme (REGP), implemented by the Government from 01.04.1995 to 31.03.2008 through the Khadi and Village Industries Commission (KVIC) and the Pradhan Mantri Rojgar Yojana (PMRY), implemented from 02.10.1993 to 31.03.2008 through the States and Union Territories. Approximately,fifty per cent of the units established under PMRY (implemented in both rural and urban areas) are estimated to be in rural areas.The State/UT-wise details of projects set up under REGP and self employment ventures set up under PMRY during the entire period of their implementation,are given at Annex. I

(b) & (c): REGP was a Central Sector scheme and the approved grants for the scheme were used to be released to the KVIC which,in turn,released the funds (towards margin money assistance) to the banks against the projects sanctioned in each State/Union Territory (UT).The State/UT - wise details of margin money allocated by KVIC under the REGP as well as those of margin money utilised during 2005-06, 2006-07 and 2007-08,are given at Annex. II.Under the PMRY,allocation of the subsidy and release of funds are based on the targets for States/UTs.The subsidy amount had been released directly to the Reserve Bank of India (RBI),which,in turn,released the necessary amounts to the implementing banks.

The amounts of subsidy released to the RBI during 2005-06, 2006-07 and 2007-08 under PMRY are given below:

Year Subsidy released under PMRY (Rs. crore)

2005-06 251.36

2006-07 228.82

2007-08 283.20

The State/Union Territory-wise details of funds allocated (released) to the States/UTs for entrepreneurial development and contingencies as well as the funds utilised under the PMRY during 2005-06, 2006-07 and 2007-08 are given at Annex. lll.

During the current year,i.e.,2008-09,no budget provision has been made under these two schemes,namely,REGP and PMRY,since they have now been merged into a new scheme called "Prime Minister's Employment Generation Programme (PMEGP)",the details of which have been given in the answer to parts (d) & (e).

(d) & (e): Yes, Sir.As mentioned in answer to parts (b) & (c) earlier,a new scheme called PMEGP has been approved for implementation from 2008-09 to 2011-12 with an estimated outlay of Rs. 4735 crore (Rs. 4485 crore towards margin money and Rs. 250 crore towards backward forward linkages) with the target for generation of 37.37 lakh additional employment opportunities. The Scheme will be implemented through the Khadi and Village Industries Commission (KVIC),as the single nodal agency at the national level.At the State/Union Territories level,the scheme will be implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and Banks. Under this Programme, entrepreneurs can establish micro enterprises,by availing of margin money assistance from the KVIC/KVIBs of States & Union Territories/DICs and loans from implementing public sector scheduled commercial Banks,selected regional rural Banks and co-operative Banks, etc., for projects with a maximum cost of upto Rs. 10 lakh each in the service/Business sector and up to Rs.25 lakh each in the manufacturing sector.The margin money admissible to entrepreneurs in urban areas is 15% of the project cost for General category entrepreneurs and 25% of the project cost for Special category entrepreneurs (Scheduled Castes/Scheduled Tribes/Other Backward Classes/Minorities/Women,Ex-Servicemen,Physically Handicapped,North-Eastern Region,Hill and Border areas, etc.).The margin money admissible to entrepreneurs in rural areas is 25% of the project cost for the General category entrepreneurs and 35% of the project cost for the Special category entrepreneurs.

(f) & (g):. To encourage the exporting institutions and individual entrepreneurs registered with the KVIC and to boost the export of village industry products,KVIC has been implementing `Export Incentive Scheme` to facilitate their participation in international trade fairs and exhibitions.The year-wise details of funds spent for this purpose during the last three years and current year, are given in the Table below:-

Year	Amount (Rs. lakh)
2005-06	50.00
2006-07	44.29
2007-08	32.32
2008-09 (up to September 2008)	18.44